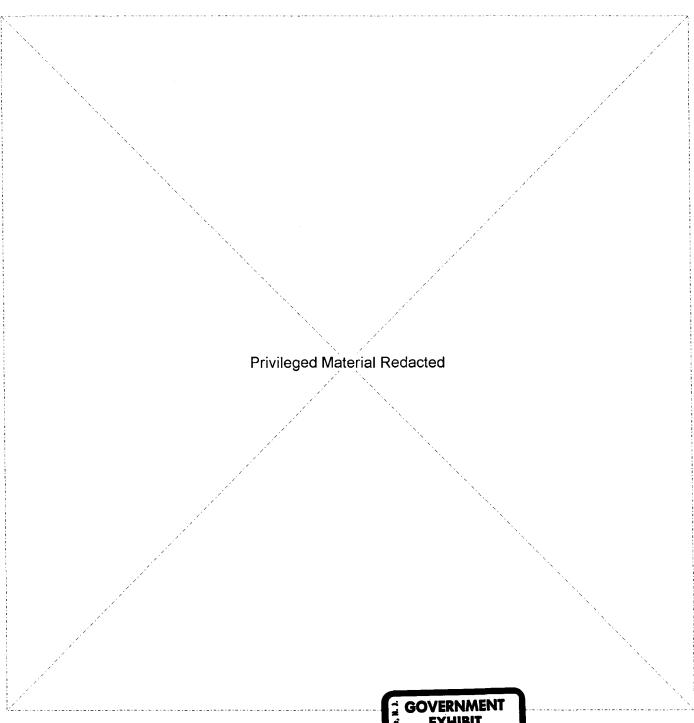
US EXECUTIVE APPROVAL FORM

MDS Inc - Request #2

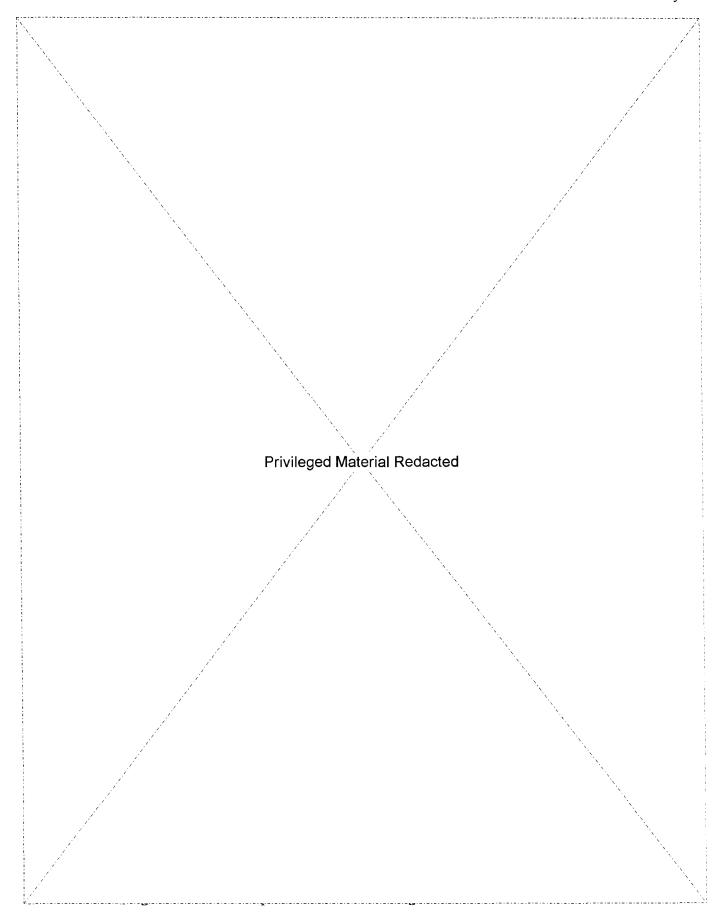
Please Note: Product Mix has changed slightly, and this plus continued negotiations with the customer since the original HQAPP approval of May 8th, 2003 have resulted in the following new

requests.

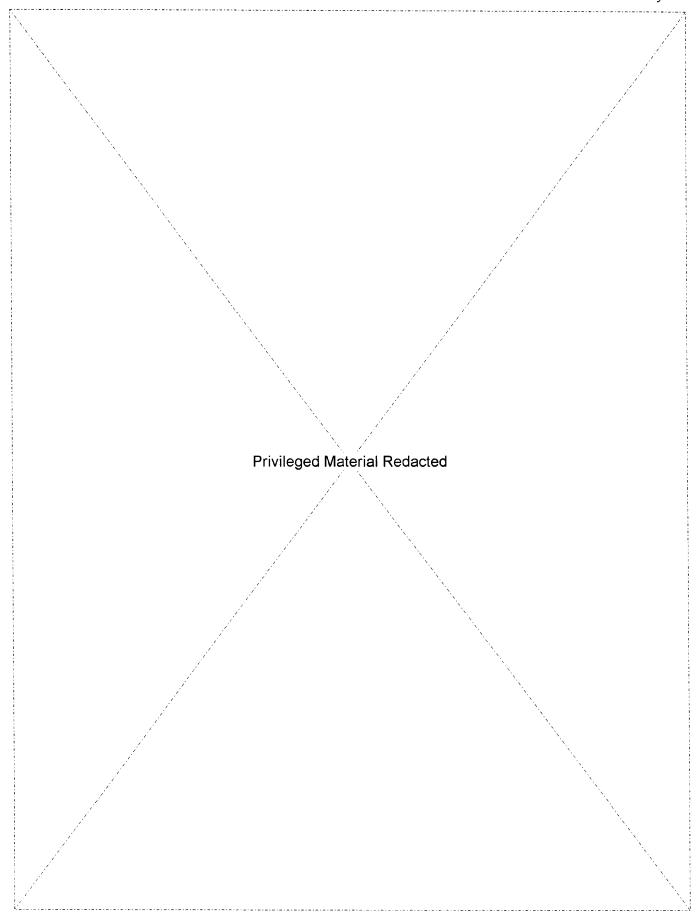
HQAPP Requests:

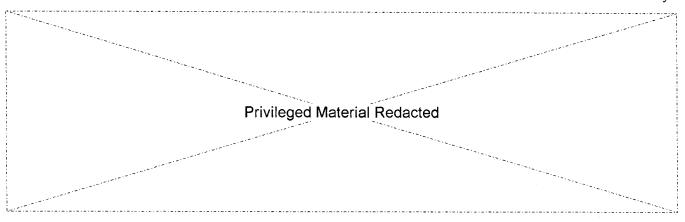


EXHIBIT



CONFIDENTIAL ORCL-EDOC-00367711





TIER 2/3 Requests:

<u>Previously approved requests (include date of approval):</u> Please see Original Approval Request approved by HQAPP May 8, 2003 below.

Deal Summary:

Deal Summary		
Programs	Professional Users E-Business Suite	
	Employee Users E-Business Suite	
	Application Users Tutor for Applications	
	Employee Users Self-Service Tutor for Applications	
	Orders Electronic Orders	
	Orders Transportation	
	Cost of Goods Sold Advanced Supply Chain Planning	
	Cost of Goods Sold Constraint Based Optimization	
	Cost of Goods Sold Global Order Promising	
	Cost of Goods Sold Demand Planning	
	Application User Supply Chain Intelligence	
	Person Time and Labour	
	Person iRecruitment	
	Trainee iLearning	
	Processor Oracle Database Enterprise Edition	
	Processor Diagnostic Pack	
	Processor Tuning Pack	
	Processor Real Application Clusters	
	Processor Internet Application Server Enterprise Edition	
	Processor Express Server	
	Processor Label Security	
	Named User Oracle Database Enterprise Edition	
	Named User Diagnostic Pack	
	Named User Tuning Pack	
	Named User Real Application Clusters	
	Named User Internet Application Server Enterprise Edition	
	Named User Internet Developer Suite	
	Adverse Event Reporting	
	Clinical	
	Distributed Study Conduct	
	Remote Date Capture	
	Thesaurus Management System	

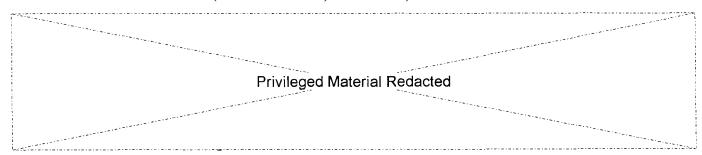
License Discount	See Requests #1, 2, 3, 4 above.
Support Discount	See Requests #1, 2, 3, 4 above.
Comp & Admin Discount	80% the Standard Comp&Admin discount % for this \$ volume
Support Options/Holds	See Request #3 in the original approval request.
Price Holds	See Request #2 in the original approval request.
List License	Apps: \$29,955,210 Tech: \$4,272,730 Total: \$34,227,940
List Support	\$7,530,146
List Comp & Admin	\$12,322,058 per year
Net License	Apps: \$5,760,634 Tech \$1,495,456 Total: \$7,256,090
Net Support	\$1,596,339
Net Comp & Admin	\$2,464,411
Net Total Price	\$11,316,840 (includes 1st year of Comp & Admin).
Price List Used	Oracle Canada Price List of February 10, 2003

Justification:

- Please see the Original Justification below.
- Continued negotiations with the customer since the original HQAPP approval of May 8,2003 have resulted in the following "new" requests:

New Pricing Requests:

- MDS has decided to go with Full Use Technology so now request is a 65% discount on full use Tech vs. the previously approved "Limited Use" Technology at a 75% discount.
- MDS budgetary requirements and competitive offering from SAP have resulted in a requirement to increase the discount on Apps to 77%.
- MDS has raised specific objection on the price/value of two specific Apps products: Electronic Orders and Transportation. MDS does not see the value of 5,000,000 Order Lines of Electronic Orders costing at list price \$5.0M CDN, ie. \$1Cdn per Order Line. Value is seen at \$.036 per order line (using the list price of the highest volume band, and then discounting). Discount request on this item is 96.3% to match. Similarly, Transportation is priced at list at \$.3167 CDN per Order Line. Again Customer does not see the value of this. They have 5,000,000 Order lines and value this product at \$.036 per Order line. Discount request on this item is 88.5% to match. (182k net L for each, after discount)



Recommendation:

Here the changes for MDS. They've commented that these are "show stoppers" Most are OK, but there are couple of major items...2x LOL is the biggest. 18 Month Warranty is the other. \$7M in apps and tech, so still a good sized deal with better discounts than we've seen elsewhere. For Reference, this is the deal we have the 10 year price hold and support cap (0% for 7 and 4% for 3)

Submitted By: Andrew Solty AM; Peter Macpherson RD; John Pierleoni RVP.

R: 05/22/03 C: 05/22/03

CONFIDENTIAL ORCL-EDOC-00367715

L: 05/22/03 A: 05/22/03 BP: swong

CONFIDENTIAL ORCL-EDOC-00367716